

## MRP Properties Company, LLC

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Brenda B. Epperson  
Manager  
Environmental Liability & Remediation Management

December 19, 2013

U.S. Environmental Protection Agency, Region 7  
Air and Waste Management Division  
RCRA Corrective Action & Permits Branch  
ATTN: Brad Roberts, P.G.  
11201 Renner Boulevard  
Lenexa, Kansas 66219

Chief of the Hazardous Waste Permits Section  
Kansas Department of Health and Environment  
Bureau of Waste Management  
ATTN: Mostafa Kamal, P.E., CHMM  
1000 SW Jackson, Suite 320  
Topeka, Kansas 66612-1366

**Re: Transmittal of Revised Cost Estimates for Financial Assurance  
Interim Measure Operation and Maintenance Plan and  
Groundwater Sampling and Analysis Plan  
Part II Permit  
MRP Properties Company, LLC – Arkansas City, Kansas  
EPA ID No. KSD 087418695  
VIA FEDERAL EXPRESS TRK#'s: 7974 6544 3644 / 7974 6547 6933**

RECEIVED

DEC 23 2013

AWMD/WRAP-KNRP

Dear Mr. Roberts and Mr. Kamal:

MRP Properties Company, LLC (MRP) provided the U.S. Environmental Protection Agency (USEPA) and the Kansas Department of Health (KDHE) cost estimates for the Interim Measures Operation and Maintenance (IMOM) Plan (January 28, 2013) and the Addendum 1 RCRA Permit Renewal Appendix P Site-Wide Groundwater Sampling and Analysis Plan (GWSAP), revised August 19, 2013. The USEPA provided comments on the cost estimates for these two documents on November 21, 2013, MRP received these comments on November 25, 2013. This letter transmits the response to the USEPA comments and the revised cost estimates.

The specific USEPA comments are provided below in italics followed by MRP's response.

1. *The IMOM cost estimate specifies maintenance and parts replacement for some equipment, but it does not include such costs for: system piping, the 75 HP blower, well sensor probes or the pump control panel. Please include additional costs for these categories.*

Response: The IMOM cost estimate has been revised with the addition of costs for maintenance including system piping based on a 20 percent replacement over the system life cycle. Costs for water and product level sensors and replacement control panels have also been added to the cost estimate. The operation and maintenance costs for the 75 HP blower that is associated with the water treatment system are included in the cost estimates for the Part I Permit.

2. *The IMOM cost estimate bases the annual electricity cost on the 2010 electric bill for 575,076 KWH. Although the rate was \$0.063/KWH, RACER shows a 2013 State-Wide average of \$0.10/KWH. Please check your current rate/KWH and adjust the cost estimate accordingly.*

Response: The electrical cost in the IMOM cost estimate has been updated to reflect the current 2013 rate of \$0.093/KWH.

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MRP – Revised Cost Estimates

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3. *Both cost estimates need to incorporate one-time costs associated with abandonment of system structures, including monitoring wells.*

Response: The cost estimates for the GWSAP and the IMOM Plan have been updated and now include costs for abandoning the Part II Permit monitoring wells and the IMOM system.

4. *Both cost estimates need to incorporate costs for contingencies; 20% is typically accepted by the EPA.*

Response: A 20 percent contingency has been added to the GWSAP and IMOM cost estimates.

If you have any questions or comments regarding the enclosed information, please contact me at 210/345-4619 or Jay Mednick at 303/291-2262.

Sincerely,

A handwritten signature in black ink, appearing to read "B.B. Epperson", with a long horizontal flourish extending to the right.

Brenda B. Epperson

Enclosure (2).

cc: Kent Biggerstaff – MRP Properties Company, LLC (w/encl)  
Jay Mednick – MWH (w/encl)

**Interim Measure Operation and Maintenance Cost Estimate**  
**MRP Properties Company, LLC - Arkansas City, Kansas**  
**December 2013**

Item Description	Quantity	Units	Unit Rate	10 Year Cost	Comments
Operation and Maintenance (Overall Labor)	520	Hour	\$ 60	\$ 312,000	2 hours average/day assumed; 5 days/week
Data Management/System Optimization/Reporting	250	Hour	\$ 75	\$ 187,500	Monitor performance of wells: product recovery
Electricity	575,076	KWH	\$ 0.093	\$ 534,821	Actual average power cost from 2013 electric bill; 65.65 KW x 8760 hours/year. Based on 9 wells with water pumps and 10 product pumps.
Control Panel Replacement	10	Each	\$ 3,800	\$ 38,000	Based on 10 year life, includes motor starters for water and product pumps
Water and Product Level Sensors	10	Each	\$ 351	\$ 7,020	Based on 5 year life
Groundwater Pump/Motor Replacement (Parts)	9	Each	\$ 3,300	\$ 59,400	Assume each pump/motor has approx. 5-year service life.
Product Pump Motor/Gear Replacement (Parts)	10	Each	\$ 500	\$ 50,000	Assume motor and gears have a 1-year service life; 10 pumps replaced/year.
6" Flow Meter Replacement (Parts)	2	Each	\$ 1,011	\$ 6,740	Assume 3-year service life. Meter #3 and #4.
3" Wellhead Water Flow Meter Replacement (Parts)	9	Each	\$ 911	\$ 27,330	Assume 3-year service life. There are 9 in service.
Product Meters	10	Each	\$ 340	\$ 6,800	Assume 5-year service life. There are 10 in service.
Well Treatment	1	Lump	\$ 43,800	\$ 219,000	Treat wells as needed to maintain efficiency; based on actual operations using KS vendor (assume every two years).
Maintenance/Repairs to System Piping	1	Lump	\$ 11,438	\$ 11,438	Repair/Maintenance to system piping based on 10 year life.
System Decommissioning	1	Lump	\$ 55,238	\$ 55,238	Plug and abandon recovery wells; remove electrical components and pumps, excavate and remove piping, decontamination, backfill, and disposal.
Subtotal				\$ 1,515,287	
Contingency (20%)				\$ 303,057	
<b>Estimated Long-Term Cost</b>	<b>10</b>	<b>Year</b>		<b>\$ 1,818,345</b>	Based on 10 year life of interim measure including decommissioning

**Notes:**

Groundwater level monitoring cost included in Permit Part I Financial Assurance.

Groundwater treatment system operating and maintenance cost included in Permit Part I Financial Assurance.

Interim measure system is constructed and is fully operational.

**Table 1 Cost Estimate for Part II Permit Groundwater Sampling and Analysis Plan**

MRP Properties Company, LLC  
Arkansas City, Kansas  
EPA ID No. KSD087418695

1001	Decommission Monitor Wells (42)	Quantity	Units	Direct Cost	Marked Up Cost
	Project Manager	4	hrs	\$ 165	\$ 165
	Staff Scientist	40	hrs	\$ 5,616	\$ 5,616
	Vehicle	4	days	\$ 400	\$ 440
	Travel Expenses	4	days	\$ 480	\$ 528
	Contractor	1454	ft	\$ 9,451	\$ 10,396
	<b>Total Sampling Labor and Equipment Cost per Semiannual Event</b>			<b>\$ 16,112</b>	<b>\$ 17,145</b>

  

2001	Semiannual Groundwater Sampling (42 Wells)	Quantity	Units	Direct Cost	Marked Up Cost
	Project Manager	1	hrs	\$ 165	\$ 165
	Project Scientist	8	hrs	\$ 800	\$ 800
	Staff Scientist	72	hrs	\$ 5,616	\$ 5,616
	Field Technician	72	hrs	\$ 5,040	\$ 5,040
	Field Equipment: vehicle, field meters, calibration solutions, interface probe, bladder pump and pneumatic controller, sample tubing, pump bladders, compressed nitrogen gas, PPE, misc. field supplies, overnight shipping samples to laboratory			\$ 2,994	\$ 3,293
	<b>Total Sampling Labor and Equipment Cost per Semiannual Event</b>			<b>\$ 14,615</b>	<b>\$ 14,914</b>
	<b>Total Annual Groundwater Sampling Labor and Equipment Cost</b>			<b>\$ 29,230</b>	<b>\$ 29,829</b>

  

2002	Groundwater Sampling - Laboratory Services (42 Wells)	Quantity	Units	Direct Cost	Marked Up Cost
	Metals (6020A)	50	analyses	\$ 4,800	\$ 5,280
	Mercury (7470A)	50	analyses	\$ 1,100	\$ 1,210
	Cyanide (9012B)	50	analyses	\$ 1,500	\$ 1,650
	EDB (8011)	57	analyses	\$ 2,850	\$ 3,135
	VOCs (8260B)	57	analyses	\$ 3,135	\$ 3,449
	SVOCs (8270D)	50	analyses	\$ 6,500	\$ 7,150
	PAHs (8270D-SIM)	50	analyses	\$ 5,500	\$ 6,050
	<b>Total Laboratory Analytical Testing (includes QA Samples) - 1</b>			<b>\$ 25,385</b>	<b>\$ 27,924</b>
	<b>Total Annual Laboratory Analytical Testing</b>			<b>\$ 50,770</b>	<b>\$ 55,847</b>

  

2003	Quarterly Groundwater Level Monitoring	Quantity	Units	Direct Cost	Marked Up Cost
	Field Technician	14	hrs	\$ 988	\$ 988
	Field Equipment (vehicle, PID, interface probe etc.)			\$ 222	\$ 244
	<b>Total Quarterly Groundwater Level Monitoring</b>			<b>\$ 1,210</b>	<b>\$ 1,232</b>
	<b>Total Annual Groundwater Level Monitoring</b>			<b>\$ 4,840</b>	<b>\$ 4,929</b>

  

2004	Annual Reporting (includes data management)	Quantity	Units	Direct Cost	Marked Up Cost
	Project Manager	18	hrs	\$ 2,970	\$ 2,970
	Project Scientist	151	hrs	\$ 15,100	\$ 15,100
	Staff Scientist	52	hrs	\$ 4,056	\$ 4,056
	GIS/CAD Technician	44	hrs	\$ 3,080	\$ 3,080
	Administration	70	hrs	\$ 4,648	\$ 4,648
	Reproduction Expense			\$ 300	\$ 330
	<b>Total Annual Reporting</b>			<b>\$ 30,154</b>	<b>\$ 30,184</b>

**Table 1 Cost Estimate for Part II Permit Groundwater Sampling and Analysis Plan**

2005	Annual Project Administration	Quantity	Units	Direct Cost	Marked Up Cost
	Project Manager	14	hrs	\$ 2,241	\$ 2,241
	Project Scientist	41	hrs	\$ 4,075	\$ 4,075
	Administration	27	hrs	\$ 1,793	\$ 1,793
	<b>Annual Project Administration</b>			<b>\$ 8,110</b>	<b>\$ 8,110</b>
<b>Annual Cost</b>					
Annual Cost - Recurring Tasks (2001, 2002, 2003, 2004, 2005):				\$	128,899
Contingency - 20%				\$	25,780
<b>Annual Cost Including 20% Contingency</b>				<b>\$</b>	<b>154,678</b>
<b>Cost for One Time Tasks</b>					
1001 - Monitor Well Decommissioning				\$	17,145
Contingency - 20%				\$	3,429
<b>Cost for One-Time Tasks Including 20% Contingency</b>				<b>\$</b>	<b>20,574</b>
<b>Estimated Cost - 10 Years</b>				<b>\$</b>	<b>1,567,357</b>
<b>Estimated Cost - 30 Years</b>				<b>\$</b>	<b>4,660,924</b>

Notes:

Markup on Subs = 10%

No Markup on Professional Consulting Services